



~~DRAFT~~ MINUTES

**CITY OF SCOTTSDALE FIRE LOCAL BOARD OF THE
PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (PSPRS)
REGULAR MEETING
10:00 a.m., Thursday, November 17, 2011
Human Resources Verde Conference Room
7575 E. Main Street
Scottsdale, Arizona 85251**

PRESENT: Jack Cross, Chairman/Mayoral Designee
Jeffrey Burg, Citizen Member
Velicia McMillan, Citizen Member/Merit Head (arrived at 10:08 a.m.)
Steve Springborn, Elected Member

ABSENT: Todd Cavner, Elected Member

STAFF: Colleen Barraza
Ken Nemec
Chanda Washington

OTHER: Stacey Angulo
Mike Anthony, Esq.
Hannah Auckland, Esq.

Call to order

Chairman Cross called the meeting to order at 10:03 a.m. He stated that the first order of business was the acknowledgement of Board Member Cavner's excused absence and Board Member McMillan's expected late arrival.

Roll call

A formal roll call confirmed the members present as stated above.

1. Review and Approval of Meeting Minutes—April 21, 2011

BOARD MEMBER SPRINGBORN MOVED TO APPROVE THE REGULAR MEETING MINUTES OF THE APRIL 21, 2011 PSPRS FIRE LOCAL BOARD MEETING AS PRESENTED. BOARD MEMBER BURG SECONDED THE MOTION,

WHICH CARRIED BY A VOTE OF THREE (3) TO ZERO (0). BOARD MEMBER CAVNER WAS ABSENT AND BOARD MEMBER MCMILLAN ARRIVED LATER.

2. Review and Re-approval of Special Meeting Minutes—March 24, 2011 (originally approved as Regular Meeting Minutes)

Mr. Nemec reported that the Board previously approved the March 24, 2011 minutes as regular meeting minutes, but they must be approved as special meeting minutes.

BOARD MEMBER SPRINGBORN MOVED TO RE-APPROVE THE SPECIAL MEETING MINUTES OF THE MARCH 24, 2011 PSPRS FIRE LOCAL BOARD MEETING AS PRESENTED. BOARD MEMBER BURG SECONDED THE MOTION, WHICH CARRIED BY A VOTE OF THREE (3) TO ZERO (0). BOARD MEMBER CAVNER WAS ABSENT AND BOARD MEMBER MCMILLAN ARRIVED LATER.

3. Discussion and Vote on the Application for Guardian Benefit and Eligible Child Benefit Completed by Stacey Angulo as Guardian of Shelby Angulo, daughter of Deceased PSPRS Member Stephen J. Angulo

Ms. Washington reported that Stacey Angulo had applied for the guardian and eligible child benefits on behalf of her daughter Shelby Angulo, noting that this application related to PSPRS member Stephen Angulo who passed away in September 2011.

Ms. Washington stated that the guardian benefit amount was \$2,577.94 and the amount of the eligible child benefit was \$322.24. Ms. Angulo provided supporting documentation to show that they were initially married and later divorced.

Ms. Washington said that the Applicant had provided copies of their marriage license, divorce decree, tax returns for 2009 and 2010, and joint custody decree. She stated that Ms. Angulo was in attendance should the Board have any questions.

Chairman Cross stated that the paperwork was in order and confirmed that the couple had no other children other than their seven year old daughter Shelby Angulo. He elaborated that although the Board could not assist with the emotional issues related to the passing of Firefighter Angulo, they could at least help provide the financial support that he provided while alive.

Ms. Angulo expressed her appreciation of the Board and staff's efforts in assisting her with this matter.

BOARD MEMBER SPRINGBORN MOVED TO APPROVE THE GUARDIAN BENEFIT AND ELIGIBLE CHILD BENEFIT COMPLETED BY STACEY ANGULO AS GUARDIAN OF SHELBY ANGULO, DAUGHTER OF DECEASED EMPLOYEE AND PSPRS MEMBER STEPHEN J. ANGULO. BOARD MEMBER BURG SECONDED THE MOTION, WHICH CARRIED BY A VOTE OF THREE (3) TO ZERO (0). BOARD MEMBER CAVNER WAS ABSENT AND BOARD MEMBER MCMILLAN ARRIVED LATER.

In response to Board Member Springborn's inquiry, Ms. Auckland explained that the guardian benefit was for children under 18 years old or up to 23 years old if still attending school.

CLOSED PUBLIC HEARING

4. Motion to Recess into Executive Session

Chairman Cross deemed it unnecessary to recess into Executive Session.

**RECONVENE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM MEETING
FOLLOWING EXECUTIVE SESSION**

5. Review and discussion of staff research pertaining to Inter-System Transfers of Funds that occur when members move from one Arizona participating PSPRS employer to the City of Scottsdale

Mr. Nemec recalled that the Board had directed staff to review the inter-system transfers of funds and report back to them. He explained that staff reviewed City records back to 2005 when the Scottsdale Fire Department was established and identified 11 individuals who had worked for other Public Safety agencies within the State of Arizona, as listed on page 1 of the report.

Mr. Nemec stated that they provided a list of these individuals and name of the prior agencies to Public Safety, asking that they determine if funds were actually transferred for these individuals. He noted that the information listed in columns 1 and 2 of the report were prepared by staff and the information listed in columns 3 and 4 were prepared by Public Safety.

Public Safety advised staff that on October 24, 2005 they transferred \$168,000 into the City of Scottsdale Public Safety Fund on behalf of Tim Ballentyne. Mr. Nemec summarized that for Dart Craytor, Steve Ferguson, and Michael Lyon there was a purchase of service where no money was transferred. He stated that for an approximate five-year period just over \$2,000,000 was transferred for 11 individuals.

Mr. Nemec elaborated that to test the numbers they went back from 2005 to the present and reviewed the Public Safety annual reports. He stated that on page 2 of their report they circled the Scottsdale Fire Department line which reflects reserve transfers for all six years.

Mr. Nemec outlined that there was a transfer of over \$1,200,000 in 2005, just over \$1,000,000 in 2006, and lesser amounts in other years. He explained that staff's transfer amount figures for 2005 matched Public Safety's numbers exactly and for 2006 staff found that their transfer amount of \$817,000 does not match Public Safety's transfer amount of just over \$1 million, speculating that somebody may have been missed during their research.

In response to Board Member Springborn's inquiry, Mr. Nemec confirmed that the figures only include the employer transfers.

Chairman Cross explained that the employees receive a statement reflecting the transfer figures for the previous employer and current employer. Ms. Washington elaborated that the employees and the City also receive a letter reflecting the transferred amount.

Chairman Cross suggested that staff continue to monitor the transfers to ensure that the funds are being transferred into the Public Safety Fund correctly.

6. Report to the Board on recently Completed Transfers of Prior Service

Ms. Washington provided the Board with a list of completed transfers of prior service from April to November of 2011. She explained that the reports includes an alphabetical list of employees by first name, the years of service that they purchased or transferred, the employer they purchased the prior service from, the amount paid for the service purchased, the method of payment, and the total of years of service reflected after the transfer of prior service.

Chairman Cross pointed out that transfers of prior service increased as a result of the recent legislation changes. Board Member Springborn stated that there would be a pause of activity until members have 10 years of credited service in the system before purchasing more service time.

7. Board suggestions for upcoming agenda items

Board Member Springborn recalled that on April 21, 2011 he requested that staff provide the Board with a comparison of the differences between the pension costs versus the offset of the fire transfer premium tax in order to accurately depict what the City's General Fund pays towards the firefighters' pension.

Chairman Cross pointed out that there was a fire tax received column on the report presented during the discussion of agenda item number 5.

ADJOURNMENT:

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 10:21 a.m.

Respectfully Submitted by:

REVIEWED BY:

Ken Nemec
PSPRS Fire Local Board Secretary

Jack Cross
PSPRS Chairman/Mayoral Designee